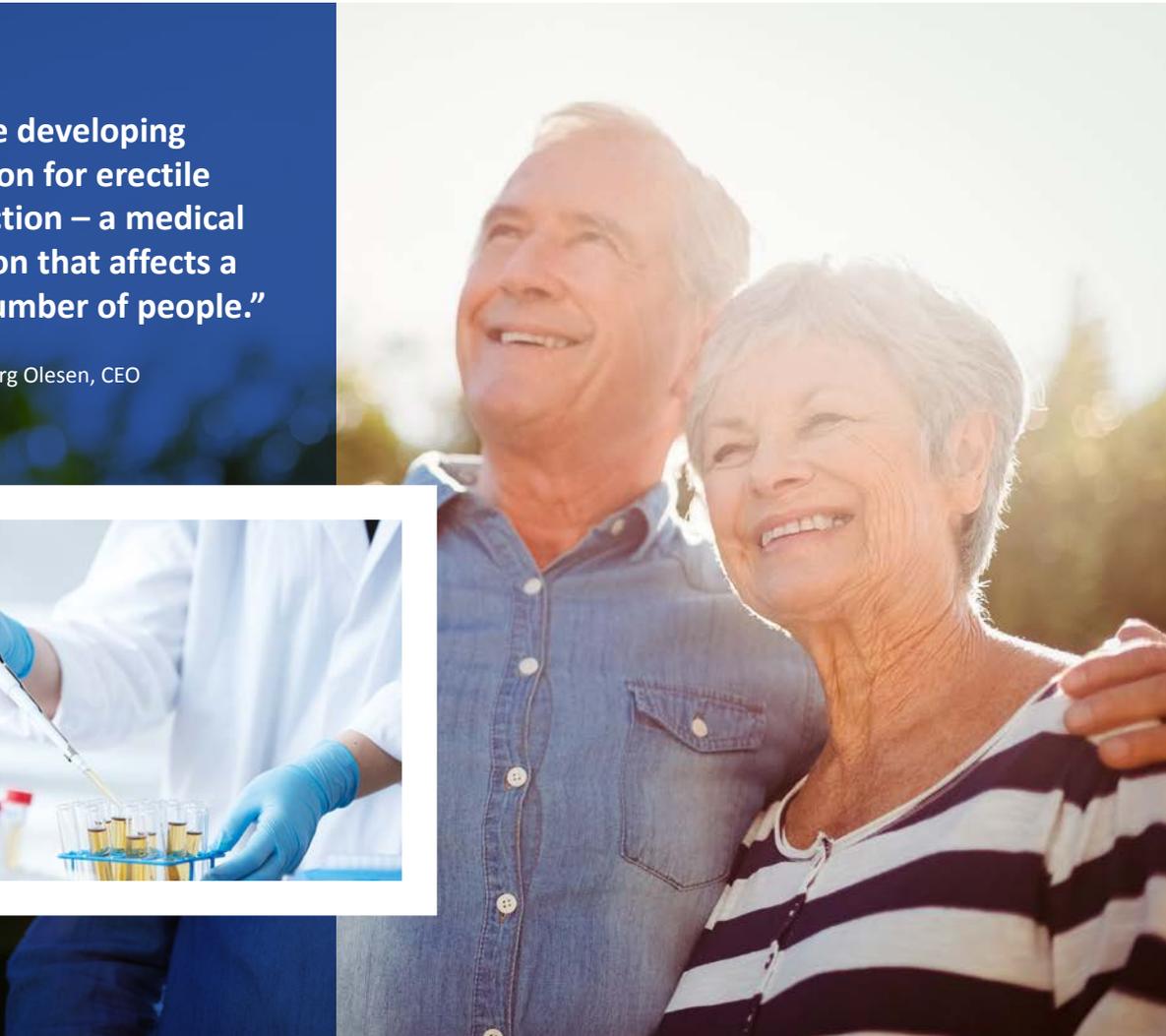


Invitation to subscribe for units in Initiator Pharma

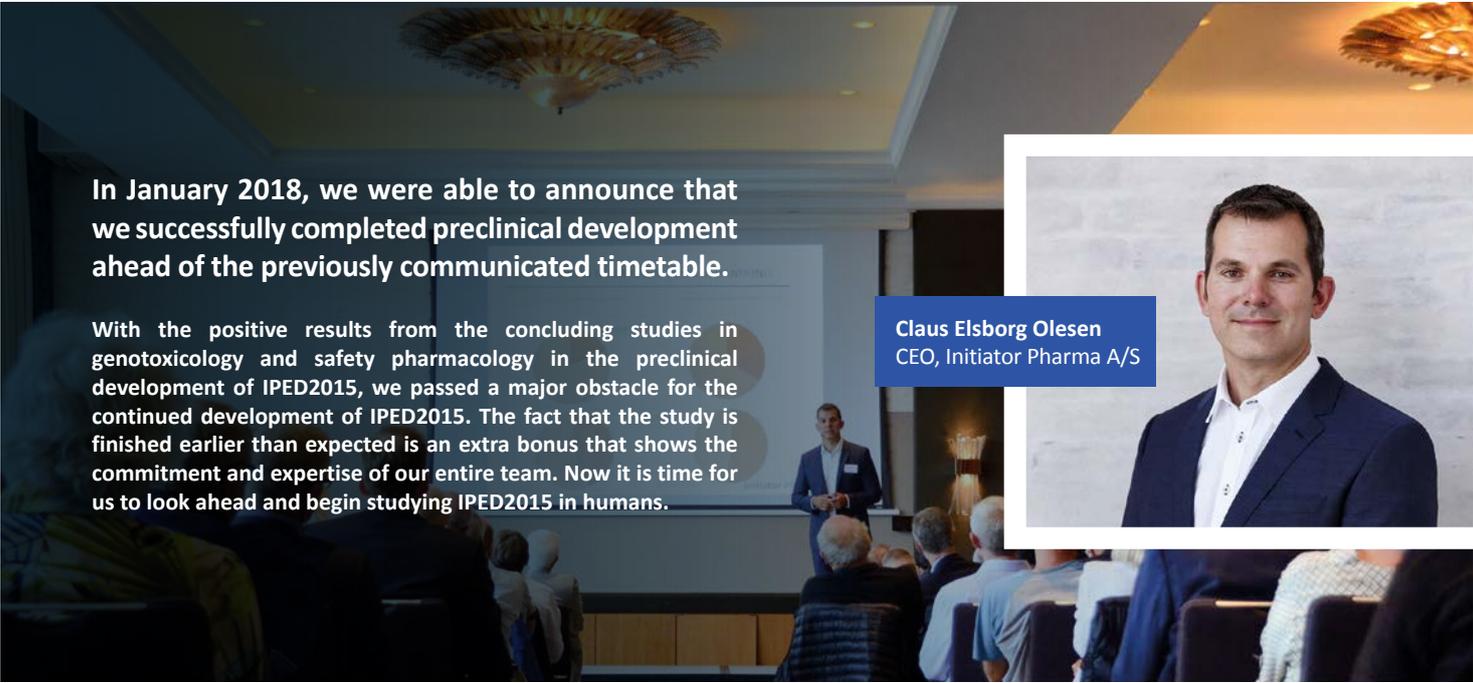
“We are developing a solution for erectile dysfunction – a medical condition that affects a large number of people.”

-Claus Elsberg Olesen, CEO



Initiator Pharma is developing the pharmaceutical candidate IPED2015, which constitutes a new kind of treatment against erectile dysfunction, i.e. the inability for a man to achieve and keep an erection. IPED2015 is specifically aimed at patients who, for various medical reasons, do not respond to existing treatments and it has fewer side-effects than today's treatments. In January 2018, preclinical development was completed with good results and ahead of schedule. The results indicate that upcoming clinical trials have good chances of being successful. The Board of Directors are convinced that the clinical phase I study will be completed in 2018. Thereafter, the clinical phase IIa study will begin as soon as possible and Initiator Pharma's objective is to be able to conclude this with a clinical phase IIa Proof of Concept in 2019 – around one year earlier and with fewer financial resources than originally planned. This may enable a potential exit or deal for the company as early as 2019.

To finance the planned development work, a rights issue is now being carried out of units comprising an initial amount of approximately SEK 19.1 million, with associated warrants for approximately another SEK 12.7 million. The company has agreed on a total of 70% of the initial issue proceeds through subscription commitments and guarantee subscription. The guarantee subscription is agreed from the top down, meaning that it is only activated if the issue is not fully subscribed.



In January 2018, we were able to announce that we successfully completed preclinical development ahead of the previously communicated timetable.

With the positive results from the concluding studies in genotoxicology and safety pharmacology in the preclinical development of IPED2015, we passed a major obstacle for the continued development of IPED2015. The fact that the study is finished earlier than expected is an extra bonus that shows the commitment and expertise of our entire team. Now it is time for us to look ahead and begin studying IPED2015 in humans.



Claus Elsborg Olesen
CEO, Initiator Pharma A/S

Comment by CEO Claus Elsborg Olesen

Our objective is to begin a clinical phase I study as soon as possible. In terms of future clinical development, we recently made an important strategic decision that will have positive effects on both time required and cost. We assess that the clinical phase I study will be able to be completed in 2018. The clinical phase IIa study is planned to take place shortly thereafter.

We have the goal of being able to conclude the phase IIa study with obtained Proof of Concept in the first half of 2019 – around one year earlier than what we originally planned and at a lower cost to the company and its shareholders. It is our assessment that we, with a successful clinical phase IIa study, will have a data package on IPED2015, which is interesting to potential pharmaceutical partners. This entails an exit opportunity as early as 2019. The Board of Initiator Pharma are convinced that the remaining development for IPED2015, including clinical phase IIa-Proof of Concept and thereby potential exit, can be carried out both faster and at a lower cost.

Today, the population of the world is getting increasingly older and is also affected to an increasing extent by diabetes and cardiovascular diseases. This means that the male part of the population is also increasingly affected by erectile dysfunction (ED). The medical indication ED concerns the man's ability to achieve and maintain an erection, i.e. his sexual ability. Research has shown that the problem can also have other serious consequences. The indication ED can, among other things, lead to lower self-confidence, depression, relationship problems and decreased quality of life. So it is of great importance to find effective treatments for patients who suffer from ED, not least because a functioning treatment leads to better mental health and a substantial improvement in the quality of life.

Many who suffer from ED get help today from medications, such as tadalafil, vardenafil and not least sildenafil, more known by its commercial brand Viagra®. A large group of patients, around 30-40 percent of all who suffer from diagnosed ED, do not respond to the treatment due to various medical reasons. We founded Initiator Pharma with the business concept of further developing a family of pharmaceutical candidates based on MRI technology (Monoamine Reuptake Inhibitor). The main candidate in this family is IPED2015, which may constitute a new kind of treatment of ED, specifically

targeted at the very ED patients that do not respond to existing treatments. Our objective since the beginning has been to further develop IPED2015 up to clinical phase IIa-Proof of Concept – an important breaking point in our development since we at this time can document effect and safety of IPED2015.

To finance implementation of the clinical phase I study and the implementation of the clinical phase IIa study with an achieved Proof of Concept, we are now carrying out a rights issue of units totalling approximately SEK 32.1 million, of which around SEK 19.1 million can be injected into the company initially and around SEK 13 million can be provided to the company through full exercise of associated warrants with the redemption period in the fourth quarter of 2018. Our main ambition with this financing arrangement is that, if it is fully subscribed in both parts, no further capital contributions will be needed to complete the development of IPED2015 to the point that we have had as the main objective the whole time – clinical phase IIa-Proof of Concept. I see several good reasons why Initiator Pharma is a good investment. Firstly, we have a pharmaceutical candidate that showed good effect and low toxicity in the preclinical study, which seems promising for future clinical studies. We are meeting a huge market need where we have identified a niche where a very large number of patients today have no functioning treatment. Our time- and cost-effective development plan also means that we can achieve a Proof of Concept, our most important value-creating objective, as early as 2019. The single most important reason for investing in Initiator Pharma is that we can provide a solution to a medical problem that affects a very large number of people. This said, I would hereby like to invite you to invest in Initiator Pharma!

Claus Elsborg Olesen
CEO, Initiator Pharma A/S

Company's financing strategy in brief

The Board of Directors of Initiator Pharma now deems that the remaining development cost for IPED2015, including the clinical phase IIa Proof of Concept and thereby a potential exit, will amount to around SEK 30 million instead of SEK 50 million as previously communicated. The combined capital requirement for conducting development of IPED2015 up to and including the clinical phase IIa-Proof-of Concept can thereby be met if the current issue of units and the associated warrant redemption are fully subscribed.



Offer in brief

Subscription period: 15 – 29 March 2018.

Record date and preferential rights: The record date was 9 March 2018. Anyone who held shares in Initiator Pharma on the record date has a preferential right in the issue. The final day for trading in Initiator Pharma's share including the right to receive unit rights was on 7 March 2018. The first day for trading in Initiator Pharma's share without the right to receive unit rights was on 8 March 2018. For each existing share, one (1) unit right will be received. Holdings of three (3) unit rights entitles the holder to a subscribe for one (1) unit. One (1) unit consists of three (3) new shares and two (2) free-of-charge warrants of series TO 1.

Subscription price: SEK 6.60 per unit, corresponding to SEK 2.20 per share. Warrants of series TO 1 are received free of charge.

Issue volume: The offer comprises a maximum of 8,683,941 shares and a maximum of 5,789,294 warrants of series TO 1, corresponding to approximately SEK 19.1 million and approximately SEK 12.7 million, respectively. If the issue is fully subscribed and all associated warrants are exercised, Initiator Pharma will receive an injection totalling approximately SEK 31.8 million before issue costs.

Trade in PSU: Trade in PSU (Paid Subscribed Units) will take place on AktieTorget as of 15 March 2018 and be under way until the issue is registered with the Danish Business Authority. This registration is expected to take place in mid-April 2018.

Number of shares before issue: 8,683,943 shares.

Valuation of the current offer (pre-money): Approx. SEK 19.1 million.

Trade in unit rights: Trading in unit rights will take place on AktieTorget during the period 15 – 27 March 2018.

Subscription commitments and guarantee subscription: Initiator Pharma agreed in writing prior to the planned rights issue on subscription commitments for a total of around SEK 8 million and guarantee subscription totalling approximately SEK 5.5 million. Hence, around SEK 13.5 million, corresponding to 70 percent of the initial issue amount, has been agreed in advance in writing. Guarantee subscription pertains to subscription from the top down, meaning that if the issue is not fully subscribed, the guarantee subscription is activated for a maximum of the agreed guarantee amount.

Marketplace: Initiator Pharma's share is listed on AktieTorget.

CONDITIONS FOR WARRANTS IN BRIEF

- The newly issued warrants of series TO 1 are planned to be subject to trade on AktieTorget at the end of April 2018.
- Holdings of one (1) warrant of series TO 1 entitles to the subscription of one (1) newly issued share at a rate of SEK 2.20. Subscription of shares using warrants is planned to take place during the period 11 October 2018 through 1 November 2018.

REFERENCE TO PROSPECTUS

All investments in securities are associated with risk taking. In Initiator Pharma's prospectus, there is a description of potential risks that are associated with the company's activities and its share. Before an investment decision is made, these risks together with other information in the complete prospectus should be read through carefully. The prospectus is available on the company's, AktieTorget's and Sedermera Fondkommission's respective websites: www.initiatorpharma.com, www.aktietorget.se and www.sedermera.se.



“Since we listed the company nearly a year ago, we have been able to keep a high pace of development and have delivered according to plan and on budget, which I think is strong proof of both the quality of our pharmaceutical candidate IPED2015 and the competence of the team behind Initiator Pharma.”

Initiator Pharma was founded as spin-out from Saniona with the business concept of further developing a family of pharmaceutical candidates designed to increase the body’s dopamine levels. The company’s family of pharmaceutical candidates is primarily comprised of the main candidate IPED2015. With this pharmaceutical candidate, the company’s objective is to be able to create a new “First line” treatment for the large group of men who suffer from erectile dysfunction, but for various reasons do not respond to today’s treatments.

ABOUT ERECTILE DYSFUNCTION AND IPED2015

As the world’s population is getting increasingly older and is affected to a greater extent by welfare diseases, such as diabetes and overweight, a problematic side-effect also arises for the male part of the population – erectile dysfunction (ED). ED, or impotence in daily speech, is defined as the inability in a man to achieve and maintain an erection and thereby be able to have intercourse. The problem is already extensive and is also affecting a growing part of the population – today, ED strikes around 150 million men worldwide and this figure is also expected to increase to around SEK 322 million by 2025. The problem with ED has to some extent been addressed in connection with the market introduction of medications based on so-called PDE5 inhibitors (PDE5i). These pharmaceuticals usually have a good effect, but are also linked to a large number of problems – due to a number of different medical reasons, around 30-40 percent of the men who suffer from ED do not respond to treatment with this type of pharmaceutical. Initiator Pharma acquired three pharmaceutical candidates based on so-called MRI technology in 2016. This technology intends to inhibit the re-uptake of monoamines in the body’s nerves and thereby increase the dopamine levels in various parts of the body. By increasing the body’s dopamine level, a number of different indications can be treated. The company’s main focus is on the pharmaceutical candidate IPED2015, which is intended to constitute a new kind of treatment against ED. Due to the pharmaceutical candidate’s method of action, the Board assesses that IPED2015 will be able to help the large patient group that suffers from ED, but does not respond to treatment with PDE5i.

PRESENT SITUATION AND THE WAY FORWARD

Since the listing on AktieTorget, Initiator Pharma has been able to maintain a high pace of development and achieved good preclinical results. The company’s objective in the near term is to begin a clinical phase I study as soon as possible. The company’s Board has made a strategically important decision regarding the planned clinical development which means that this can be done both faster and at a lower cost than originally planned. The original plan regarding clinical development was based on Initiator Pharma conducting studies both within single doses (SAD) and

multiple doses (MAD). MAD is mainly applicable to pharmaceutical candidates that are intended for treatment of chronic diseases that require daily treatment and where the patient on a continuous daily basis – possibly several times a day – requires treatment. MAD studies thereby evaluate how the body is affected by a continuous intake over time. Since IPED2015 is only intended to be taken on single occasions when the patient wants to achieve an erection, it is primarily SAD that is relevant for the company to study with regard to the pharmaceutical candidate.

Given the above, the Board has decided to only conduct the clinical development with single doses. This leads to an opportunity, according to the Board, to accelerate the project with regard to both cost and time required for the planned clinical development. The company assesses that the time required to achieve clinical phase IIa-Proof of Concept will be reduced by around 12 months compared with the original timetable. As a result of this, the estimate for the total capital requirement has been revised. The original estimate regarding the total capital requirement to develop IPED2015 up to and including phase IIa-Proof of Concept, which is Initiator Pharma’s main objective, amounted to approximately SEK 80 million. This sum has now been reduced and amounts to approximately SEK 50 million, including the capital that the company raised in the new issue that was carried out before the listing on AktieTorget – the remaining development cost for IPED2015, including clinical phase IIa-Proof of Concept and thereby potential exit, thereby amounts to approximately SEK 30 million.

To finance implementation of the clinical phase I study and the implementation of the clinical phase IIa study with an achieved Proof of Concept, Initiator Pharma is now carrying out a rights issue of units totalling approximately SEK 31.8 million, of which around SEK 19.1 million can be injected into the company initially and around SEK 12.7 million can be provided to the company through full exercise of associated warrants with the redemption period in the fourth quarter of 2018. This means that if both parts of the now planned issue of units is fully subscribed, no further capital contributions are required to conclude the development of IPED2015 up to and including phase IIa Proof of Concept.

Subscription form – for subscription of units without unit rights in Initiator Pharma A/S (publ)

Subscription period:	March 15 – March 29, 2018 kl. 3 p.m.
Subscription price:	SEK 6,60
Allocation:	Any allotment of units will be notified via a contract note.
Payment:	To be made in accordance with the instructions on the contract note.

In an assessment of Initiator Pharma A/S future development and operations, it is of great importance to consider all relevant risks. Each investor must make their own assessment of the impact of these risks by reading and understanding all available information published concerning this offer. The prospectus is available for download at www.initiatorpharma.com, www.aktietorget.se or www.sedermera.se. Payment is not to be made in conjunction with the application for subscription. Any allotment is notified via a contract note.

1. The undersigned hereby applies for subscription of the following number of units in Initiator Pharma A/S at a subscription price of SEK 6.60 per unit. Each unit consists of three (3) new shares and two (2) warrants of series TO 1 (SEK 2.20 per share and warrants are given out free of charge):

Number of units

2. Fill in where the allotted and paid for units (BTU) are to be delivered, owner-registered securities account (Swedish: VP-account) or custody account (state only one alternative)

Owner-registered securities account/ Service account	Bank
0 0 0	
Custody account	Bank/Nominee

Do you have an account at Nordnet or Avanza? Please, contact your respective bank to make your subscription directly via Nordnet or Avanza.

The undersigned claims preferential right in the event that the offer is oversubscribed. In the event that the offer is oversubscribed, priority in allocation of shares subscribed for without unit rights will be given to investors who have also subscribed for units with unit rights in the rights issue, in relation to the number of unit rights being exercised. Invoke this preferential right by filling in the number of units you have subscribed for with unit rights in this rights issue, and indicate the bank/nominee via which such subscription was made:

Number of units	Bank/Nominee	Owner-registered securities account/Custody account (Swedish: VP-account)

3. Have you, through Sedermera, invested six (6) times during the last twelve (12) months, or invested through Sedermera three (3) times each year for the last five (5) years?

YES

NO

4. Subscription over 15 000 EURO?

If the subscription is over 15 000 EURO, or if the answer on question 3 is Yes, the following shall be made:

- 1) A money laundry form be fulfilled which can be found on the following link: www.sedermera.se.
- 2) A copy of your ID (Passport) be attached to the money laundering form.

Notice, the documents shall be sent to Sedermera Fondkommission **via post**, see the address below.

5. Fill in your name and address information (PLEASE WRITE CLEARLY)

First name/Company	Last name	National ID number/Corp.ID.no.
Street address (or PO Box or equivalent)	Postal code	City
Country (if other than Sweden)	Daytime telephone/mobile phone	E-mail
Place and date	Signature (authorized company signature, or guardian, if applicable)	
	Wishes to receive contract note via e-mail	

6. By signing this subscription form I confirm the following:

- That I have read the prospectus (Swedish use) and understand the risks associated with investing in this particular financial instrument;
- That I have read and understand the information stated in the section "Terms and Conditions" in the prospectus;
- That I have read and accepted the information stated on the subscription form;
- I have observed that the offer is not addressed to persons resident in the USA, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore or other countries where participation requires additional prospectus, registration or other measures other than those required by Danish and Swedish law;
- That I am aware that the application is not covered by the right of return that follows from the Swedish Distant and Doorstep Sales Act.
- That in signing this subscription form, I authorize Sedermera Fondkommission, at the undersigned's expense, to implement the subscription of shares pursuant to the Terms and Conditions stated in the prospectus issued by the board of Initiator Pharma A/S in March 2018;
- That no amendments or additions may be made to the printed text in this subscription form;
- That the allocation of units in accordance with the subscription cannot be guaranteed;
- That an incomplete or incorrect subscription form may be disregarded;
- That the subscription is binding;
- That no modifications or amendments may be made to the printed text in this application form;
- That I am aware that Sedermera Fondkommission will not make any assessment of whether the subscription to the instrument in question is suitable for me or the person on whose behalf I am subscribing;
- That I am aware that no customer relationship exists between Sedermera Fondkommission and the subscriber with respect to this subscription;
- That personal data supplied in connection with the assignment will be stored and processed by Sedermera Fondkommission for the purpose of administering this assignment. The data may also be used in any future mailings concerning offering documents. Personal data will be stored and processed in accordance with the Swedish Personal Data Act.

7. Send the application form by one of the following options:

E-mail: nyemission@sedermera.se
(inskannad anmälningsedel)

Mail: Object: Initiator Pharma
Sedermera Fondkommission
Norra Vallgatan 64,
211 22 Malmö, Sweden

Fax: +46 40-615 14 11

Questions, Phone: +46 40-615 14 10
please call:

Initiator Pharma

www.initiatorpharma.com